

**State of Washington
Decision Package**

PLACEHOLDER

Agency:	310 Department of Corrections
Decision Package Code/Title:	0C – Consolidation of Headquarters

Budget Period: 2005-07

Budget Level: ML2 – Inflation and Other Rate Changes

Recommendation Summary Text:

The Department requests funds to consolidate the headquarter offices to Tumwater.

Agency Total

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$779,000	\$599,000	\$1,378,000

Staffing	<u>FY 2006</u>	<u>FY 2007</u>	<u>Annual Average</u>
FTEs	N/A	N/A	N/A

Program 100-Admin & Program Support

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$445,000	\$342,000	\$787,000

Staffing	<u>FY 2006</u>	<u>FY 2007</u>	<u>Annual Average</u>
FTEs	N/A	N/A	N/A

Program 200-Institutional Services

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$211,000	\$162,000	\$373,000

Staffing	<u>FY 2006</u>	<u>FY 2007</u>	<u>Annual Average</u>
FTEs	N/A	N/A	N/A

Program 300-Community Corrections

<u>Fiscal Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
<u>Operating Expenditures</u>			
001-1 - General Fund - Basic Account-State	\$123,000	\$95,000	\$218,000
<u>Staffing</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Annual</u>
FTEs	<u>N/A</u>	N/A	<u>Average</u> N/A

Package Description

In March 2001, The Department of General Administration (GA) conducted a 10-year study of state office space needs in Thurston County and produced its final report to the Legislature entitled "Thurston County Lease and Space Planning." In that report, the Washington State Department of Corrections was identified as a priority agency in high need (ranked 3rd) in terms of age and condition of existing facilities. The headquarters building in Olympia is a leased facility that is almost 40 years old (built in 1965). The Department also leases two other office spaces in Thurston County to accommodate additional headquarters personnel.

The Legislature authorized GA to enter into a new building development project now referred to as the Tumwater Office Building (TOB) project. In February 2004, GA identified the Department as a potential candidate to become an anchor tenant in the TOB with the Department of Transportation. This decision was based on the agency needs assessment and the compatibility of the space in the TOB with the Department's space needs.

The Department headquarters building faces three main issues relative to space needs:

- Rapidly aging and in need of significant remodeling
- Does not accommodate existing personnel in one location
- Infrastructure will not accommodate growing and evolving information technology needs

The Department conducted an analysis to determine if the TOB would meet its future program needs. Based on the analysis, the Department decided to relocate into the TOB.

The Department believes that moving to a facility that combines a modern technology infrastructure, capacity for consolidation and workforce growth, and a healthy and sustainable workplace environment will improve the Department's efficiency and effectiveness as an organization. Planned completion of building construction is late Summer of 2005 with occupancy planned for Fall of 2005.

The Department, therefore, requests funding for tenant improvements, equipment, furniture, and moving expenses expected to be incurred during the relocation.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request is critical to agency activities, the strategic plan, and statewide results. The request ensures that the Department has the necessary resources to maintain current levels of service and performance.

This request is required to sustain the agency activities *Corrections - Core Administration, Confine Convicted Adults in State Prisons, and Supervise High-Risk Adult Offenders in the Community*. The resources identified will be directed to support the agency strategies such as ensuring that facilities and

offices are safe and secure, deploying resources efficiently and effectively with regard to meeting constitutional mandates, and the Department's data is assured by a robust data and information infrastructure. These strategies move the Department closer to meeting its high-level organizational goals reducing offender risk to re-offend and reducing victimization and enhancing organizational capacity and competency. These high-level goals are intermediate outcomes and help achieve statewide results that improve the safety of people and property.

Performance Measure Detail

No measures were submitted for this package.

Reason for change:

The Department was contacted by GA in February 2004 as a potential replacement candidate in the TOB based on the Washington State Patrol's request to withdraw from their commitment as an anchor tenant. Recognizing the many issues facing the Department in its current location, the Department embarked upon assessing its needs to determine if the TOB will meet its future program needs. The Department headquarters building faces three main issues relative to space needs:

- Rapidly aging and in need of significant remodeling
- Does not accommodate existing personnel in one location
- Infrastructure will not accommodate growing and evolving information technology needs

Based on the analysis, the Department decided to move forward with relocating of the headquarters operations into the TOB.

Impact on clients and services:

Taking advantage of this opportunity provides for several benefits to the Department:

- The consolidation of multiple office locations
- Updated information technology needs to support all staff and new system applications, where the current infrastructure cannot
- The capacity to accommodate workforce growth over the next three to five years and reduce continued fragmentation
- The financial benefit to Washington State with the Department's headquarters building becoming state-owned property, thereby reducing the state's financial burden
- Sufficient and flexible conference/meeting facilities as well as staff training space
- A healthy and sustainable workplace environment

The Department believes that moving to a facility that combines a modern technology infrastructure, capacity for consolidation and workforce growth, and a healthy and sustainable workplace environment will greatly improve the Department's efficiency and effectiveness as an organization. Planned completion of building construction is late Summer of 2005 with occupancy planned for Fall of 2005.

Impact on other state programs:

N/A

Relationship to capital budget:

N/A

Required changes to existing RCW, WAC, contract, or plan:

Will require termination of current headquarters lease.

Alternatives explored by agency:

The Department explored the possibility of remodeling its current headquarters location and upgrading the current information technology, phone, and utility infrastructure. The estimated cost of this option exceeded the costs of moving to the TOB. The Department also evaluated staying in its current location. This option would not be viable without continued fragmentation and impacts to information technology due to future growth.

Budget impacts in future biennia:

The impact of the telephone service charge and debt service payments need to be biennialized and carried forward into future biennia.

Distinction between one-time and ongoing costs:

The increased telephone service charge of \$94,000 a year and debt services payments that is estimated \$504,000 per year are ongoing expenditures. The costs associated with the move totaling \$181,000 are considered one-time costs.

Effects of non-funding:

The Department has signed a Letter of Intent with GA committing to become a tenant. If funding is not received, the Department will not be able to pay for the purchase of mission critical start-up equipment or pay for moving costs that will be necessary to take occupancy in the new building.

Expenditure Calculations and Assumptions:

Due to the late start in the planning process, the Department does not have final costs associated with this project. These numbers will be updated in November 2004.

The Department requests \$188,000 for the biennium to cover the Department of Information Services (DIS) phone service. DIS estimates the yearly cost to be \$360,000, and the Department is funded for \$254,000. It is assumed that Capital Programs will pay \$6,000 per year for phone services.

The Department requests \$193,000 to hire a bonded moving company to relocate four locations into the new TOB. It is assumed General Fund-State will pay for \$180,000 and Capital Programs \$13,000.

The Department requests approximately \$539,000 per year for Certificates of Participation (COPS) payments (based on \$4,100,000 in financed equipment). The Department will utilize \$3,400,000 COPS authority, through GA, for information technology infrastructure and building overages. The Department will initiate the lease purchase process for the remainder of the equipment. It is assumed that General Fund-State will pay for \$505,000 and Capital Programs \$34,000 for the yearly COPS payment.

<u>Object Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
E Goods and Services	\$274,000	\$94,000	\$368,000
P Debt Services	\$505,000	\$505,000	\$1,010,000
Total Objects	\$779,000	\$599,000	\$1,378,000